

DATE	6 <sup>th</sup> August 2014
MONTHLY	13,600,000
USERS	

# FINANCIAL TIMES

## Shortage of engineers threaten UK growth, employers warn

By Brian Groom, Business and Employment Editor



Six out of 10 engineering employers fear that a growing shortage of engineers will threaten their business in the UK, research has found.

A study by the Institution of Engineering and Technology underlines concern that skills shortages could hold back the recovery in parts of the economy.

Manufacturing output remains 8 per cent below its pre-recession peak but companies say the right skills are becoming harder to find.

In the IET's survey, 76 per cent of employers reported problems with recruiting senior engineers with five to 10 years' experience, up from 48 per cent in 2011. The difficulty of finding engineering managers, graduates, technicians and apprentices had also increased.









## ON THIS TOPIC

UK industrial figures seen as 'damp squib'

Companies pay for pound's relentless rise

UK manufacturing growth slows

UK car production set to surpass

## IN UK BUSINESS

Skills gap leaves UK exposed to

Senior civil servant to head Sage Osborne reveals loans to business shake-up

Daily aspirin cuts risk of cancer

"We feel it is holding our company back," said Matt Wilson, chairman of Telecoms Cloud, a Liverpool-based telecom services company with a £4m turnover that has six unfilled vacancies including telephony engineers and software specialists.

Mr Wilson said the company was having to turn work down because it could not find enough people, including a prospective contract for a London council that would probably go to a German company. Other work is being outsourced to Malaysia and Vietnam.

He said his business partner had suggested moving to San Francisco, where there would be a better supply of skills, which he did not want to do but might have to consider in future if the situation did not improve.

One route to improving the supply of engineers is to encourage more women to join the profession, but the IET study of 400 employers found that just 6 per cent

of the workforce was female, barely changed in the past six years.

Despite this, the survey found that 43 per cent of employers were not taking any specific action to improve workplace diversity.





DATE	6 <sup>th</sup> August 2014
MONTHLY	13,600,000
USERS	

"They need to take urgent steps to improve recruitment and retention of women, for example by promoting flexible and part-time working, together with planned routes of progression that can accommodate career breaks," said Nigel Fine, chief executive of the IET, a professional society.

Britain needs to train 87,000 engineering graduates a year – double the previous rate – until 2020, in part to replace those retiring, according to industry body Engineering UK.

responsibility, whether that be employers, universities, colleges or the government, to start the education process with youngsters and bang the drum about engineering being a really good career route 99

- Carol White, WSP

The government is trying to tackle the problem by funding more apprenticeships, offering schemes to encourage more young people and women to choose a career in industry and investing in university facilities and teaching. But employers are pressing for further action.

The CBI employers' group wants university fees reduced for some science, technology, engineering and maths (Stem) courses. The International Monetary Fund this week called for immigration controls to be relaxed in areas such as manufacturing to help rebalance the economy.

Carol White, head of UK recruitment at WSP, the engineering design consultancy, which will hire 800 staff this year, said recruiting people with engineering skills

had become as difficult as before the recession.

WSP was managing to get the numbers it needed but had to work harder to achieve that, she said. The company had kept graduate and apprenticeship hiring as high as possible during the recession and was using social media to attract expatriate engineers back from Australia, Canada and the Middle East.

Ms White said: "It's everybody's responsibility, whether that be employers, universities, colleges or the government, to start the education process with youngsters and bang the drum about engineering being a really good career route."

The IET survey found that 44 per cent of employers said engineering, IT and technical recruits did not meet their expected levels of skills. Employers were also increasingly dissatisfied with standards of literacy and numeracy among school leavers.

More than half of employers believed they should get more involved with schools, colleges and universities to help change the perception of engineering among young people, and 52 per cent expected to employ more apprentices in four to five years' time.





DATE	6 <sup>th</sup> August 2014
MONTHLY	13,600,000
USERS	

It is disheartening but not surprising to see the latest figures from the Institution of Engineering and Technology, that only 6 per cent of the engineering workforce are female. We need employers to sit up and take urgent action to improve workplace diversity. With major projects like HS2 and Crossrail taking place we have an opportunity to shape a different and better future by improving diversity throughout engineering by demonstrating the vibrancy and investment in the nation's rail industry. In my opinion the value of a diverse workforce and leadership team is incredibly beneficial and creates a better working environment for all.

To achieve this goal we need to start encouraging people from an early age that engineering is an attractive career choice. By helping girls while they're still at school to understand that there are lots of exciting opportunities available and that it's not a 'man's job', we can start building a more diverse and skilled workforce from the ground up.

Adeline Ginn, General Counsel Angel Trains, Founder of Women in Rail

